

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

Case Name: SANCHEZ ENERGY CORPORATION, et al.,¹
Case Number: 19-34508

Petition Date: August 11, 2019

Monthly Operating Report Summary for the Period Ending²

Monthly Period (USD)	8/12-8/31	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20
Revenues (MOR-6)	-	-	-	-	-	-	-
Operating Income (MOR-6)	-	-	-	-	-	-	-
Net Income (Loss) (MOR-6)	-	-	-	-	-	-	-
Payments to Insiders (MOR-9)	-	-	-	-	-	-	-
Payments to Professionals (MOR-9)	-	-	-	-	-	-	-
Total Disbursements (Exhibit A)	154,593,548	183,433,776	-	-	-	-	-

The jointly administered Debtors are authorized to file monthly operating reports on a combined basis, and have disbursements broken down by case number on Exhibit A attached

The original of this document must be filed with the United States Bankruptcy Court

Required Insurance Maintained

As of Signature Date	Check Yes / No	Exp. Date
Excess Liability	Yes (X) No ()	4/20/2020
Worker's Compensation	Yes (X) No ()	10/1/2020
General Liability	Yes (X) No ()	4/20/2020
Auto Liability	Yes (X) No ()	4/20/2020
Other	Yes (X) No ()	Various

Are all accounts receivable being collected within terms? Yes (X) No ()
Are all post-petition liabilities, including taxes, being paid within terms? Yes (X) No ()
Have any pre-petition liabilities been paid? Yes (X) No ()
If so, describe Operating expenses, working interests and royalties, taxes, independent contractors, and all other such pre-petition liabilities as described and authorized for payment in the First Day Motions and Orders entered by the Court.
Are all funds received being deposited into DIP bank accounts? Yes (X) No ()
Were any assets disposed of outside the normal course of business? Yes () No (X)
If so, describe N/A
What is the status of your Plan of Reorganization?
In progress.

Attorney Name: Matthew D. Cavanaugh
Firm Name: Jackson & Walker LLP
Address: 1401 McKinney St. Suite 1900
City, State, ZIP: Houston, Texas 77010
Telephone/Fax: (713) 752-4284

I certify under penalty of perjury that the following abbreviated Monthly Operating Report (MOR), consisting of MOR-7, MOR-8, and Exhibit A, is true and correct.

SIGNED X /s/ Cameron W. George
(Original Signature)

Title: Executive Vice President and Chief Financial Officer

Cameron W. George
(Print Name of Signatory)

10/21/2019
Date

Notes:

- The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Sanchez Energy Corporation (0102); SN Palmetto, LLC (3696); SN Marquis LLC (0102); SN Cotulla Assets, LLC (0102); SN Operating, LLC (2143); SN TMS, LLC (0102); SN Catarina, LLC (0102); Rockin L Ranch Company, LLC (0102); SN EF Maverick, LLC (0102); SN Payables, LLC (0102); and SN UR Holdings, LLC (0102).
- This document represents an abbreviated MOR including MOR-7, MOR-8, and Exhibit A. The remaining schedules will be reported in accordance with the SEC quarterly reporting requirements.

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Cash Receipts and Disbursements for the Period Ending

	31-Aug-19	30-Sep-19	31-Oct-19	30-Nov-19	31-Dec-19	31-Jan-20
Cash & Cash Equivalents - Beginning	\$ 90,743,905	\$ 162,968,716				
<u>Cash Receipts</u>						
Gross Production Receipts	159,451,031	149,721,436				
JIB Receipts & Cash Calls	24,946,539	44,330,881				
Other	56,434	258,793				
Total Cash Receipts	\$ 184,454,004	\$ 194,311,109	\$ -	\$ -	\$ -	\$ -
<u>Cash Disbursements</u>						
Capex	(4,879,762)	(33,068,056)				
Lease Operating Expense	(2,931,066)	(6,877,141)				
Gathering, Marketing, Transportation	(15,714,990)	(15,825,211)				
Royalties & Working Interest Payments	(120,180,922)	(114,318,862)				
Production & Ad Valorem Tax	(7,122,795)	(6,380,597)				
G&A / Other	(2,538,299)	(5,655,779)				
Operating Cash Disbursements	\$ (153,367,835)	\$ (182,125,648)	\$ -	\$ -	\$ -	\$ -
Total Operating Cash Flow	\$ 31,086,168	\$ 12,185,461	\$ -	\$ -	\$ -	\$ -
<u>Financing and Restructuring Related Disbursements</u>						
Interest & Fees	-	(433,314)				
Draw (Repayment) of Principal	-	-				
Cash Collateralization of Letters of Credit	-	-				
Restructuring Costs	(47,357)	(874,814)				
Intercompany	-	-				
Net Cash Flow Prior to DIP Financing	\$ 31,038,811	\$ 10,877,333	\$ -	\$ -	\$ -	\$ -
<u>Debt</u>						
Draw (Repayment) of DIP	41,186,000	-				
Total Net Cash Flow	\$ 72,224,811	\$ 10,877,333	\$ -	\$ -	\$ -	\$ -
Ending Operating Cash Balance	\$ 162,968,716	\$ 173,846,049	\$ -	\$ -	\$ -	\$ -
Ending Restricted Cash Balance	\$ 47,357	\$ 47,357	\$ -	\$ -	\$ -	\$ -

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Cash Account Reconciliation

Bank	Legal Entity	Account #	Type	11-Aug-19	31-Aug-19	30-Sep-19
JP Morgan Chase Bank	Sanchez Energy Corporation	x2021 Operating		\$ 4,185,781	\$ 51,192,938	\$ 51,192,938
JP Morgan Chase Bank	SN Operating, LLC	x2252 Revenue/ZBA		-	-	-
JP Morgan Chase Bank	SN Operating, LLC	x2351 AP/ZBA		-	-	-
JP Morgan Chase Bank	SN Payables, LLC	x2575 AP Operating		3,642,097	4,081,257	4,081,257
JP Morgan Chase Bank	SN Payables, LLC	x2765 AP/ZBA		-	-	-
JP Morgan Chase Bank	SN EF Maverick, LLC	x2930 Operating		23,268,364	68,329,374	68,329,374
JP Morgan Chase Bank	SN EF Maverick, LLC	x3078 Revenue/ZBA		-	-	-
JP Morgan Chase Bank	SN EF Maverick, LLC	x3193 AP/ZBA		-	-	-
JP Morgan Chase Bank	SN EF Maverick, LLC	x5176 SN Marketing Activities		42,862	3,520	3,520
JP Morgan Chase Bank	SN UR Holdings, LLC	x3553 General Corporate		99,272	99,272	99,272
JP Morgan Chase Bank	Sanchez Energy Corporation	x1092 Money Market		-	1,728	1,728
JP Morgan Chase Bank	SN EF Maverick, LLC	x6268 Money Market		-	4,705	4,705
JP Morgan Chase Bank	SN UR Holdings, LLC	x1853 Money Market		62,430,686	62,473,116	62,473,116
RBC Capital Markets, LLC	SN UR Holdings, LLC	x8438 RBC Time Deposit		-	-	-
RBC Capital Markets, LLC	Sanchez Energy Corporatoin	x5367 RBC Time Deposit		-	-	-
RBC Capital Markets, LLC	SN UR Holdings, LLC	x9371 Security/BLACKROCK TempFund (Fund #24)		-	-	-
RBC Capital Markets, LLC	SN UR Holdings, LLC	x8627 Security/J.P. MORGAN Prime Money Market (Fund #3605)		-	-	-
RBC Capital Markets, LLC	SN UR Holdings, LLC	x1624 Security/FIDELITY Prime Money Market (Fund #2014)		-	-	-
RBC Capital Markets, LLC	SN UR Holdings, LLC	x8928 Security/FEDERATED Prime Obligations (Fund #10)		-	-	-
Total Operating Cash				\$ 93,669,060	\$ 186,185,909	\$ 186,185,909
JP Morgan Chase Bank	Sanchez Energy Corporation	x3178 Restricted Cash Utilities		-	47,357	47,357
Total Restricted Cash				-	47,357	47,357
Total Bank Cash				\$ 93,669,060	\$ 186,233,266	\$ 186,233,266

Book-To-Bank Cash Reconciliation

Beginning Book Balance (1)	-	90,743,905	162,968,716
(+/-) Net Book Cash Flow (MOR-7)	-	72,224,811	10,877,333
Ending Book Balance (MOR-2) (2)	\$ 90,743,905	\$ 162,968,716	\$ 173,846,049
(+) Restricted Cash	-	47,357	-
(+/-) Cash In Transit, Outstanding Checks, & Other	2,925,155	23,217,193	12,387,217
Ending Bank Balance	\$ 93,669,060	\$ 186,233,266	\$ 186,233,266

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Total Disbursements by Debtor Entity for the Period Ending

Debtor Case #	Legal Entity Name	31-Aug-19	30-Sep-19	31-Oct-19	30-Nov-19	31-Dec-19	31-Jan-20	29-Feb-20
19-34508	Sanchez Energy Corporation	5,960,361	8,811,787					
19-34509	SN Palmetto, LLC	-	-					
19-34510	SN Marquis LLC	-	-					
19-34511	SN Cotulla Assets, LLC	-	-					
19-34512	SN Operating, LLC	9,425,442	9,051,349					
19-34513	SN TMS, LLC	-	-					
19-34514	SN Catarina, LLC	-	-					
19-34515	Rockin L Ranch Company, LLC	-	-					
19-34516	SN EF Maverick, LLC	126,296,737	113,416,583					
19-34517	SN Payables, LLC	12,911,007	52,153,153					
19-34518	SN UR Holdings, LLC	-	904					
Total		\$ 154,593,548	\$ 183,433,776	-	-	-	-	-